REMARKS/ARGUMENTS

Reconsideration and withdrawal of the rejections of the application are respectfully requested in view of the amendments and remarks herewith, which place the application into condition for allowance. The present amendment is being made to facilitate prosecution of the application.

I.   STATUS OF THE CLAIMS AND FORMAL MATTERS

Claims 1-28 are pending in this application. Claims 1-3, 25 and 26 are independent. Claims 1-3 and 25 are hereby amended. It is submitted that these claims, as originally presented, were in full compliance with the requirements of 35 U.S.C. §112. No new matter has been introduced. Changes to claims are not made for the purpose of patentability within the meaning of 35 U.S.C. §101, §102, §103, or §112. Rather, these changes are made simply for clarification and to round out the scope of protection to which the Applicants are entitled.

Applicants hereby submit an Abstract, thereby obviating the objection to the Specification.

Claims 1-28 were rejected under the judicially created doctrine of obviousness-type double patenting as allegedly unpatentable over claims 1-12 of U.S. Patent No. 6,591,419. Claims 1-3 and 25 are hereby amended thereby obviating the double patenting rejection. Applicants submit that claim 26 is not in U.S. Patent No. 6,591,419.

II.   REJECTIONS UNDER 35 U.S.C. §102(e)

Claims 1-12, 14-25 and 28 were rejected under 35 U.S.C. §102(e) as allegedly

anticipated by U.S. Patent No. 6,040,851 to Cheng, et al. (hereinafter, merely "Cheng").

Claims 26 and 27 were rejected under 35 U.S.C. §102(e) as allegedly anticipated

by U.S. Patent No. 5,796,829 to Newby, et al. (hereinafter, merely "Newby").

Claim 1 recites, *inter alia*:

"A conditional access subunit for connection to an IEEE 1394
network, the conditional access subunit including:...

**local scrambling means to scramble said transport
stream before transmitting said transport stream to one or
more other subunits**;

**wherein said conditional access subunit is operable to
simultaneously descramble a plurality of streams/services**."
(emphasis added)

As understood by Applicants, Cheng relates to a method and apparatus for

separating network-dependent from network-independent functions in set-top boxes (STBs),

including digital consumer appliances and PCs. A receiver subsystem integrates network-

dependent tuner, digital demodulation, Forward Error Correction (FEC),

descrambling/decryption, and conditional access functions into a very small format.

Applicants respectfully submit that Cheng does not disclose the above features of

claim 1. Specifically, Cheng does not teach or suggest a conditional access subunit including a

local scrambling means to scramble said transport stream before transmitting said transport

stream to one or more other subunits, wherein said conditional access subunit is operable to

simultaneously descramble a plurality of streams/services, as recited in independent claim 1.

Indeed, Cheng discloses on column 5, lines 5-12, that the Smartcard may be

configured to provide encryption and/or conditional access processing, such that the DICAM

will not provide a usable output signal until authorized by a suitable Smartcard. Applicants

submit that a Smartcard configured to provide <u>encryption processing</u> does not teach or suggest <u>a</u>

<u>local scrambling means</u> as recited in claim 1.

Further, Cheng fails to teach or suggest that <u>said conditional access subunit is</u>

<u>operable to simultaneously descramble a plurality of streams/services</u>, as recited in independent

claim 1.

Therefore, Applicants submit that independent claim 1 is patentable.

For reasons similar to, or somewhat similar to, those described above with regard

to independent claim 1, independent claims 2, 3 and 25 are also believed to be patentable.

Claim 26 recites, *inter alia*:

> **"A conditional access subunit for connection to an IEEE 1394**
> **network having a tuner subunit, the conditional access subunit**
> **having means for periodically contacting the tuner subunit to**
> **request the received transport stream for a period of time**
> **sufficient to allow the conditional access subunit to update the**
> **entitlement management messages stored in the conditional**
> **access subunit.**" (emphasis added)

As understood by Applicants, Newby relates to an access control processor for a

conditional access system in which encrypted information segments provided by a plurality of

information service providers are encrypted for transmission in accordance with different

conditional access processes respectively utilizing different algorithms for encrypting the

information segments.

Applicants respectfully submit that the cited portion of Newby relied on by the

Office Action (column 3, lines 7-26) does not teach or suggest a conditional access subunit for

connection to an IEEE 1394 network <u>having a tuner subunit, the conditional access subunit</u>

<u>having means for periodically contacting the tuner subunit to request the received transport</u>

<u>stream for a period of time sufficient to allow the conditional access subunit to update the</u>

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entitlement management messages stored in the conditional access subunit, as recited in independent claim 26.

Therefore, Applicants submit that independent claim 26 is patentable.

III.   DEPENDENT CLAIMS

The other claims in this application are each dependent on an independent claim discussed above, and are therefore believed patentable for at least the same reasons. Since each dependent claim is also deemed to define an additional aspect of the invention, however, the individual reconsideration of the patentability of each on its own merits is respectfully requested.

CONCLUSION

In the event the Examiner disagrees with any of statements appearing above with respect to the disclosures in the cited reference or references, it is respectfully requested that the Examiner specifically indicate those portions of the reference or references providing the basis for a contrary view.

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overpayment, to our Deposit Account No. 50-0320.

In view of the foregoing amendments and remarks, it is believed that all of the

claims in this application are patentable and Applicants respectfully request early passage to

issue of the present application.

Respectfully submitted,

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